

COMMONWEALTH of VIRGINIA

DEPARTMENT OF SOCIAL SERVICES

FOR IMMEDIATE RELEASE

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OFFICIALS ANNOUNCE EFFORTS TO INCREASE AWARENESS OF THE EARNED INCOME TAX CREDIT

-- Federal tax credit presents significant opportunity for hard-working Virginians --

RICHMOND -- Virginia Department of Social Services Commissioner Maurice A. Jones, Virginia Department of Taxation Commissioner Kenneth W. Thorson and Henrico County Department of Social Services Director Gordon Ragland joined representatives from the Internal Revenue Service (IRS) and state employees today for a volunteer training session to become tax preparers.

The training underscores a statewide outreach effort to assist low-income working families that may qualify for the Earned Income Tax Credit (EITC), a federal tax benefit that can provide a return of up to \$4,300 for working families with children.

"The EITC is called the nation's greatest anti-poverty program. Nationwide, it helps nearly five million people escape poverty each year," said Thorson.

"Unfortunately, in Virginia, it's estimated that 22 percent of those eligible do not claim the credit. Since 80 percent of the funds are typically spent in local communities, that's a significant loss to hard-working individuals and to local economies," added Jones.

Virginia's low-income working families are missing out on millions of dollars annually in federal income tax refunds because they are unaware of the program or think they won't qualify. Individuals eligible for the program include:

- Workers with one child and income of less than \$30,338 (or \$31,338 for married workers) in 2004, who may receive up to \$2,604
- Workers with more than one child and income of less than \$34,458 (or \$35,458 for married workers) in 2004, who may receive up to \$4,300
- Workers between the ages of 25 and 64 with no children and income below \$11,490 (or \$12,490 for married workers), who may receive up to \$390.

"We want to let the residents of Virginia know that they can receive free assistance with filing their tax forms," said Jones. "Volunteer trainings like the one we're hosting today will enhance our ability to assist more low-income workers to claim the benefit."

"This tax credit can make a significant difference in the quality of life for many Virginians," commented Ragland. "It's especially gratifying to volunteer and have that kind of impact."

Those who receive the funds generally use the refund primarily to pay overdue bills (typically rent and utilities), for transportation to work, continued education and child care.

For more information about free tax filing assistance or the EITC program in Virginia contact Carolyn Spohrer at (804) 644-0417. Additional information about the federal credit may be found online at http://www.irs.gov.

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